



The directors present their annual report and the audited financial statements of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") for the period from October 1, 2001 to December 31, 2002.

During the period, the Company changed its financial year end date from September 30 to December 31. The financial statements presented therefore cover the 15 month period from October 1, 2001 to December 31, 2002.

Principal Activities

The Company acts as an investment holding company.

During the period from October 1, 2001 to December 31, 2002, the Group was principally engaged in the sale and distribution of liquefied petroleum gas and the manufacture, sale and distribution of electronic products.

In December 2002, the directors determined to terminate the Group's operations in the manufacture, sale and distribution of electronic products. The Group entered into an agreement, with an independent third party company and subsequently, also with a then senior management of the Group, under which the operations were sub-contracted to both the afore-mentioned company and individual. Details of the discontinuing operations are set out in notes 6 and 10 to the financial statements.

Results

The results of the Group for the period from October 1, 2001 to December 31, 2002 are set out in the consolidated income statement on page 25.

Property, Plant and Equipment

During the period, the Group acquired property, plant and equipment of approximately HK\$43 million and disposed of property, plant and equipment with net book value of approximately HK\$18 million. Details of these and other movements during the period in property, plant and equipment of the Group are set out in note 15 to the financial statements.

董事會謹此提呈本公司及各附屬公司(以下合稱「本集團」)由2001年10月1日至2002年12月31日止期間之年報及經審核財務報表。

期內，本公司更改會計年度，由9月30日改至12月31日。本提呈之財務報表涵蓋由2001年10月1日至2002年12月31日止15個月期間。

主要業務

本公司乃投資控股公司。

於2001年10月1日至2002年12月31日止期間，本集團主要從事銷售及分銷液化石油氣及生產、銷售及分銷電子產品。

於2002年12月，董事議決終止本集團之生產、銷售及分銷電子產品業務。本集團與一獨立第三者公司及其後與本集團前高級管理人員訂立協議，據此，電子業務發包予前述公司及人士經營。有關終止業務之詳情載於財務報表附註6及10。

業績

本集團由2001年10月1日至2002年12月31日止期間之業績載於第25頁之綜合收益表。

物業、機器及設備

期內，本集團購置約43,000,000港元及出售賬面淨值約18,000,000港元之物業、機器及設備。期內，本集團之該等物業、機器及設備及其他變動載於財務報表附註15。



Reserves

Movements in the reserves of the Group and the Company during the period are set out in note 30 to the financial statements.

Major Customers and Suppliers

The largest customer of the Group by itself and taken together with the next four largest customers accounted for 32% and 86% respectively of the Group's total turnover for the period.

Aggregate purchases attributable to the Group's largest supplier by itself and taken together with the next four largest suppliers accounted for 61% and 88% respectively of the Group's total purchases for the period.

At no time during the period did a director, an associate of a director, or a shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) have an interest in any of the Group's five largest customers and suppliers.

Share Capital

During the period, 100,000,000 shares were issued as consideration for the acquisition of the entire issued share capital of a subsidiary, Environmental Energy Investment Limited.

During the period, the holders of the Company's mandatory convertible notes exercised their rights to convert the notes to 460,000,000 shares in the Company and the holders of 13,000,000 share options of the Company exercised their rights to subscribe for the same number of shares.

Details of movements during the period in the share capital of the Company are set out in note 28 to the financial statements.

Purchase, Sale and Redemption of the Company's Listed Securities

During the period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

儲備

期內本集團及本公司之儲備變動情況載於財務報表附註30。

主要客戶及供應商

期內，本集團之最大客戶本身及連同其後之四大客戶分別佔本集團總營業額32%及86%。

期內，本集團最大供應商本身及連同其後之四大供應商分別佔本集團總採購額61%及88%。

於期內任何時間，本公司董事、董事之聯繫人士或就董事所知擁有本公司已發行股本5%以上之任何股東概無擁有本集團五大客戶及供應商任何權益。

股本

期內，就收購附屬公司，環保能源投資有限公司，之全部已發行股本發行100,000,000股股份。

期內，本公司之強制性可換股票據持有人行使權利兌換本公司460,000,000股股份。另本公司購股權持有人行使13,000,000股購股權認購同等數目之股份。

期內，本公司股本變動詳情載於財務報表附註28。

購回、出售及贖回本公司上市證券

期內，本公司及各附屬公司概無購回、出售或贖回任何本公司之上市證券。



Directors

The directors of the Company during the period and up to the date of this report were:

Executive directors:

Shum Siu Hung, Chairman and Managing Director

(also appointed as Managing Director on January 18, 2002 and resigned as Managing Director on March 11, 2003)

Shum Siu Mau, Deputy Chairman

(resigned as executive director on November 1, 2001 and re-appointed as executive director and Deputy Chairman on March 10, 2003)

Wu Hong Cho, Managing Director

(also appointed as Managing Director on March 11, 2003)

Cen Ziniu

Cheng Wai Leung

Tong Shiu Ming

(also appointed as Deputy Chairman on November 1, 2002 and resigned as executive director and Deputy Chairman on March 10, 2003)

Chan Yee Hoi

(appointed on November 1, 2001 and resigned on November 1, 2002)

Zhao Xinghuan

(resigned on January 18, 2002)

Independent non-executive directors:

Cheung Kwan Hung, Anthony

Young Wing Chun, Michael Frederick

Chan Bo Ching

(resigned on November 1, 2001)

Chan Wai Dune, Charles

(resigned on November 1, 2001)

In accordance with clauses 86 and 87 of the Company's By-laws, Shum Siu Hung, Shum Siu Mau and Cen Ziniu shall retire by rotation from office at the forthcoming annual general meeting of the Company. Shum Siu Mau and Cen Ziniu offer themselves for re-election as directors. Shum Siu Hung will not offer himself for re-election as director but stand for appointment as Associate Chairman of the Company.

No director being proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

本公司於期內及截至本報告日期之董事如下：

執行董事：

岑少雄，主席及董事總經理

(於2002年1月18日兼任董事總經理及

於2003年3月11日辭任董事總經理)

岑少謀，副主席

(於2001年11月1日辭任執行董事及於2003年

3月10日再獲任執行董事及副主席)

胡匡佐，董事總經理

(於2003年3月11日兼任董事總經理)

岑子牛

鄭偉良

唐小明

(於2002年11月1日兼任副主席及於2003年3月10日

辭任執行董事及副主席)

陳以海

(於2001年11月1日獲任及於2002年11月1日辭任)

趙醒寰

(於2002年1月18日辭任)

獨立非執行董事：

張鈞鴻

楊永燦

陳步青

(於2001年11月1日辭任)

陳維端

(於2001年11月1日辭任)

根據本公司之公司細則第86及87條，岑少雄、岑少謀及岑子牛均須於即將舉行之本公司股東週年大會輪席退任。岑少謀及岑子牛願膺選連任董事。岑少雄將不擬重選連任董事，但願接受出任本公司之聯席主席。

將於應屆股東週年大會膺選連任之董事概無與本集團簽訂於一年內終止則須作出賠償(法定賠償除外)之服務合約。



The term of office for each non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

各非執行董事之任期為截至根據本公司之公司細則所規定之輪流退任之期間。

Directors' Interests in Shares

At December 31, 2002, the interests of the directors and their associates in the share capital of the Company as recorded in the register maintained by the Company pursuant to Section 29 of the Hong Kong Securities (Disclosure of Interests) Ordinance ("SDI Ordinance") were as follows:

董事之股份權益

根據本公司按香港證券(披露權益)條例(「披露權益條例」)第29條存置之登記冊所載，於2002年12月31日，各董事及彼等之聯繫人士所擁有本公司之股本權益如下：

Name of directors	董事姓名	Notes 附註	Personal interests 個人權益	Number of shares held 持有股份數目			Other interests 其他權益
				Corporate interests 公司權益	Family interests 家族權益		
Shum Siu Hung	岑少雄	1	99,627,790	1,098,766,210	—	—	
Tong Shiu Ming	唐小明	1 & 2	—	1,098,766,210	99,627,790	—	
Wu Hong Cho	胡匡佐	1	—	—	—	54,938,311	
Cen Ziniu	岑子牛	1	—	—	—	10,987,662	
Cheng Wai Leung	鄭偉良		120,000	—	—	—	

Note:

註：

- 1,098,766,210 shares of the Company are held by Uniocean Investments Limited ("Uniocean"). Uniocean is owned as to 48.11% by Shum Siu Hung, 45.89% by Tong Shiu Ming, 5% by Wu Hong Cho and 1% by Cen Ziniu.
- 99,627,790 shares of the Company were deemed to be interested by Tong Shiu Ming, spouse of Shum Siu Hung, as family interests.

- 該等股份乃指海聯控股有限公司(「海聯」)持有之1,098,766,210股本公司股份。岑少雄、唐小明、胡匡佐及岑子牛分別持有海聯48.11%、45.89%、5%及1%權益。
- 99,627,790股本公司股份視作由唐小明以家族權益形式持有，彼為岑少雄之配偶。

Save as disclosed above and other than nominee shares in certain subsidiaries held by certain directors in trust for the Group, neither the directors nor the chief executives nor any of their respective associates, had any interests in any securities of the Company or any of its associated corporations as defined in the SDI Ordinance, and neither the directors nor the chief executives nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

除上文所披露者及若干董事代表本集團以信託形式而於若干附屬公司持有之代理人股份外，期內，各董事、主要行政人員及彼等各自之聯繫人士並無擁有本公司或各聯營公司(定義見披露權益條例)之證券權益。而各董事、主要行政人員及彼等各自之配偶或18歲以下子女概無擁有或行使可認購本公司證券之權利。



Share Options

Particulars of the Company's share option schemes are set out in note 29 to the financial statements.

The following table discloses movements in the Company's share options during the period:

購股權

本公司之購股權計劃詳情載於財務報表附註29。

下表披露本公司期內購股權之變動：

		Option type 購股權類別	Outstanding at 10.1.2001 於10.1.2001之結餘	Granted during the period 期內發授	Exercised during the period 期內行使	Lapsed during the period 期內失效	Outstanding at 12.31.2002 於12.31.2002之結餘
Category 1: Directors		分類1：董事					
Shum Siu Hung	岑少雄	2000A	35,000,000	—	—	—	35,000,000
		2002A	—	30,000,000	—	—	30,000,000
Tong Shiu Ming	唐小明	2001	35,000,000	—	—	—	35,000,000
Wu Hong Cho	胡匡佐	2000A	15,000,000	—	—	—	15,000,000
		2001	20,000,000	—	(10,000,000)	—	10,000,000
Cen Ziniu	岑子牛	2000A	30,000,000	—	—	—	30,000,000
		2002A	—	30,000,000	—	—	30,000,000
Cheng Wai Leung	鄭偉良	2000B	3,000,000	—	(3,000,000)	—	—
		2001	40,000,000	—	—	—	40,000,000
Shum Siu Mau (note)	岑少謀 (附註)	2000A	35,000,000	—	—	(35,000,000)	—
Zhao Xinghuan (note)	趙醒寰 (附註)	2000A	30,000,000	—	—	(30,000,000)	—
Chan Bo Ching (note)	陳步青 (附註)	2000A	500,000	—	—	(500,000)	—
Chan Wai Dune, Charles (note)	陳維端 (附註)	2000A	500,000	—	—	(500,000)	—
Total Directors	董事總數		<u>244,000,000</u>	<u>60,000,000</u>	<u>(13,000,000)</u>	<u>(66,000,000)</u>	<u>225,000,000</u>
Category 2: Employees		分類2：員工					
		2000A	1,050,000	—	—	(500,000)	550,000
		2000B	20,000,000	—	—	—	20,000,000
		2002A	—	34,000,000	—	(2,000,000)	32,000,000
		2002B	—	31,000,000	—	—	31,000,000
Total employees	員工總數		<u>21,050,000</u>	<u>65,000,000</u>	<u>—</u>	<u>(2,500,000)</u>	<u>83,550,000</u>



	Option type 購股權類別	Outstanding at 10.1.2001 於10.1.2001之結餘	Granted during the period 期內發授	Exercised during the period 期內行使	Lapsed during the period 期內失效	Outstanding at 12.31.2002 於12.31.2002之餘額
Category 3: Others	分類3：其他					
	2000C	25,000,000	—	—	—	25,000,000
	2002C	—	150,000,000	—	—	150,000,000
Total others	其他總數	<u>25,000,000</u>	<u>150,000,000</u>	<u>—</u>	<u>—</u>	<u>175,000,000</u>
Total all categories	所有分類總數	<u>290,050,000</u>	<u>275,000,000</u>	<u>(13,000,000)</u>	<u>(68,500,000)</u>	<u>483,550,000</u>

Note: Shum Siu Mau, Chan Bo Ching, Chan Wai Dune, Charles resigned as directors of the Company on November 1, 2001 and Zhao Xinghuan resigned as director of the Company on January 18, 2002 and the options granted to them were still exercisable within six months from the date of resignation. Their options were subsequently lapsed.

附註：岑少謀、陳步青、陳維端於2001年11月1日及趙醒寰於2002年1月18日分別辭任本公司董事，對其發授之購股權於其辭任日期後6個月內仍可行使。該等購股權其後已失效。

The closing prices of the Company's shares immediately before March 14, 2002, June 26, 2002 and July 4, 2002, the dates of grant of the 2002A, 2002B and 2002C options, were HK\$0.128, HK\$0.113 and HK\$0.116 respectively.

本公司股份於緊接2002年3月14日、2002年6月26日及2002年7月4日之前一日之收市價，即緊接於發授購股權類別2002A、2002B及2002C之前一日分別為0.128港元、0.113港元及0.116港元。

The weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$0.188.

本公司股份於緊接行使購股權之前日期之平均加權收市價為0.188港元。

The fair values of the options granted in the current period measured at the dates of grant on March 14, 2002, June 26, 2002 and July 4, 2002 were HK\$0.082, HK\$0.065 and HK\$0.014 per option respectively. The following significant assumptions were used to derive the fair values using the Black-Scholes option pricing model:

期內發授購股權於發授日期2002年3月14日、2002年6月26日及2002年7月4日之公平價值分別為每股購股權0.082港元、0.065港元及0.014港元。按Black-Scholes購股權計價模式計算公平價值時，引用了下列重大假設：

		3.14.2002	6.26.2002	7.4.2002
Expected life of options	購股權預計年期	3 years 3年	3 years 3年	1 year 1年
Expected volatility based on historical volatility of share prices	股價之預計波幅 (基於歷史波幅)	98.7%	98.9%	78.0%
Expected annual dividend yield	年派息率之預計回報	0%	0%	0%
Hong Kong Exchange Fund Notes rate	香港外匯基金債券息率	4.54%	3.32%	1.96%



For the purposes of the calculation of fair value, the number of options granted in the current period has been reduced to reflect historical experience of forfeiture of 20% of options granted to directors and employees and adjustment has been made in respect of options granted to other parties which are expected to be fully forfeited, due to the high exercise price of the options.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

Arrangements to Purchase Shares or Debentures

Other than as disclosed above, at no time during the period was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company or their respective spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance and Connected Transactions

During the period, the Group entered into certain significant transactions with the following parties as follows:

Contracting party 訂約方	Nature of transactions 交易性質	Amount 數額 HK\$'000 千港元
Hunsworth Industrial Limited ("Hunsworth") 坤泰實業有限公司(「坤泰」)	Rental expenses paid to (notes (i) & (iv)) 向其支付租金開支(註(i)及(iv))	1,500
Gold Decade Limited ("Gold Decade") 金紀元有限公司(「金紀元」)	Royalty fee paid to (notes (ii) & (v)) 向其支付商標分特許權費(註(ii)及(v))	7
Guangdong Huabao Electric Appliance Co., Limited ("Huabao") 廣東華寶電器有限公司(「華寶」)	Rental expenses paid to (notes (iii) & (vi)) 向其支付租金開支(註(iii)及(vi))	—

Notes:

- (i) Shum Siu Hung and Tong Shiu Ming are directors of Hunsworth. Shum Siu Hung has a beneficial interest in Hunsworth.
- (ii) Shum Siu Hung is a director of and has a beneficial interest in Gold Decade.

當計算公平價值時，期內發授之購股權數目已減少以反映過往發授予董事及員工之失效率20%。由於購股權之行使價較高，已發授予其他人士而預計將會失效之購股權之數目亦已作出調整。

Black-Scholes購股權計價模式要求輸入高度主觀假設，包括股價之波幅。因主觀輸入假設之變數可大大影響公平價值之估計，董事意見認為，目前之計價模式不一定可提供一個單一可靠計算購股權之公平價值之基準。

購買股份或債券之安排

除上文所披露者外，本公司及各附屬公司於期內任何時間均無訂立任何安排，使本公司董事、彼等各自之配偶或18歲以下子女可藉收購本公司或任何其他法人團體之股份或債券而取得利益。

董事於重大合約之權益及關連交易

期內，本集團與下列人士進行之若干重大交易如下：

註：

- (i) 岑少雄及唐小明為坤泰之董事，而岑少雄亦擁有坤泰之實益權益。
- (ii) 岑少雄為金紀元的董事並擁有實益權益。



- (iii) Shum Siu Hung is a director of Huabao. (iii) 岑少雄為華寶之董事。
- (iv) On March 1, 2001, Sound Management Services Limited, a wholly-owned subsidiary of the Company, renewed an office tenancy agreement with Hunsworth for the use of office premises provided by Hunsworth located on the 8A, BEA Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong at HK\$100,000 per calendar month for a period of two years commencing March 1, 2001. (iv) 於2001年3月1日，本公司之全資附屬公司新海管理服務有限公司與坤泰續訂辦公室租約，以月租100,000港元租用坤泰位於香港灣仔告士打道56號東亞銀行港灣中心8A之辦公室物業，租期兩年。
- (v) On October 31, 2000, Sound Industrial Limited ("Sound Industrial"), a wholly-owned subsidiary of the Company entered into an agreement with Gold Decade. Pursuant to the agreement, Gold Decade has granted to Sound Industrial an exclusive sub-licence to use the trademarks of "華寶" and "HUABAO" (the "Trademarks"), well-known brand names for electrical appliance in the People's Republic of China (the "PRC"), on all the electronic products manufactured and sold by the Group for an initial term of one year. A royalty fee of 1.5% of the net sale proceeds of the Group's products sold under the Trademarks shall be payable as sub-licence fee subject to a maximum annual payment of HK\$8,000,000 and a minimum annual payment of HK\$10,000. On October 30, 2001, the agreement was renewed for one year to October 30, 2002 at a fixed royalty fee of HK\$1. On October 31, 2002, the agreement was renewed for two years to October 31, 2004 with the same terms. (v) 於2000年10月31日，本公司之全資附屬公司新海實業有限公司（「新海實業」）與金紀元訂立協議，根據協議，金紀元向新海實業授予使用中華人民共和國（「中國」）電器業著名商標「華寶」之獨家分特許權，許可本集團生產及出售之所有電子產品使用該等商標，年期初步定為一年。出售冠以該等商標產品所得銷售淨款項之1.5%作為分特許權費，惟該費用之上限為每年8,000,000港元，而下限則為10,000港元。於2001年10月30日，該協議以1港元固定分特許權費續期一年至2002年10月30日。於2002年10月31日，該協議按相同條款另續期兩年至2004年10月31日。
- (vi) Shunde Sound Electronic Co., Limited, a wholly-owned subsidiary of the Company registered in the PRC, entered into a factory tenancy agreement with Huabao for the use of factory premises provided by Huabao located on the 1st Floor, Huabao Industrial Complex, Gongye Lu, Shun Feng Shan, Shunde, the PRC, for a period of two years expiring on September 30, 2003 at a consideration of HK\$1. Subsequently, the ownership of the factory premises was transferred to an independent third party and Shunde Sound continued to use the factory premises at a rent agreed with that independent third party payable from July 1, 2002 onwards. (vi) 本公司於中國註冊之全資附屬公司「順德新海電子有限公司」與華寶訂立廠房租約，以代價1港元租用華寶位於中國順德順峰山工業路華寶工業區1樓之工業廠房，租期為兩年，至2003年9月30日期滿。其後，該工業廠房之所有權轉讓予一獨立第三者，順德新海繼續使用該工業廠房並由2002年7月1日起按與該獨立第三者之協定支付租金。

In the opinion of those directors, not having an interest in the above transactions, these transactions were carried out in the ordinary course of business of the Group and on terms which are most beneficial to the shareholders of the Company.

並無於上述交易擁有權益之董事認為，該等交易乃本集團之日常業務，並按符合本公司股東之最佳利益之條款進行。

Other than as disclosed above, no contracts of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the period or at any time during the period.

除上文所披露者外，本公司及各附屬公司並無參與訂立本公司董事直接或間接於其中享有重大利益而於本期間終結時或在本期間任何時間內有效之重大合約。



Substantial Shareholders

Other than as disclosed above, the register of substantial shareholders maintained under Section 16(1) of the SDI Ordinance discloses no person as having an interest of 10% or more in the issued share capital of the Company as at December 31, 2002.

Corporate Governance

The Company has complied throughout the period from October 1, 2001 to December 31, 2002 with the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Post Balance Sheet Events

Details of significant post balance sheet events are set out in note 39 to the financial statements.

Auditors

A resolution will be submitted to the forthcoming annual general meeting to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Shum Siu Hung

Chairman

Hong Kong, April 16, 2003

主要股東

除上文所披露者外，根據本公司按披露權益條例第16(1)條設立之主要股東登記冊所示，於2002年12月31日，概無任何人士擁有本公司已發行股本10%或以上權益。

公司監管

本公司於2001年10月1日至2002年12月31日止期間已遵守香港聯合交易所有限公司證券上市規則附錄14所載最佳應用守則之規定。

優先購股權

本公司之公司細則及百慕達法例並無規定本公司於發行新股時須按持股比例給予現有股東優先購股權。

結算日後事項

結算日後重大事項之詳情載於財務報表附註39。

核數師

本公司將於應屆股東週年大會上提呈有關續聘德勤•關黃陳方會計師行為本公司核數師之決議案。

代表董事會

岑少雄

主席

香港，2003年4月16日